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TRANSCRIPT OF
MEETING
of
STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA

August 21, 1967

MEETING
of
STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA
August 21, 1967

PARTICIPANTS:

THE STATE LANDS COMMISSION:

Hon. Houston I. Flournoy, Controller, Chairman

Hon. Gordon P. Smith, Director of Finance

(Absent: Hon. Robert H. Finch, Lieutenant Governor)

Mr. F. J. Hortig, Executive Officer

APPEARANCES:

(In the order of their appearance)

Mr. Richard H. Davidson
Game Management Supervisor
California Department of Fish and Game

Mr. John Peavy
Chief, Division of Resources Management
Bureau of Land Management, Riverside

I N D E X

(In accordance with Calendar Summary)

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>CALENDAR</u>	<u>PAGE OF</u> <u>TRANSCRIPT</u>
1 Call to order			
2 Confirmation of minutes of meeting July 27, 1967			1
3 PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE:			
(a) County of Los Angeles	14	1	1
4 PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE:			
(a) Southern Pacific Pipe Lines & Humble Pipe Line	21	3	1
5 OIL-AND-GAS AND MINERAL LEASES AND PERMITS:			
(a) Cities Service Oil Co.	9	6	1
(b) Mobil Oil Corporation	12	7	1
(c) Texaco Inc.	10	8	1
(d) Union Oil Co. of Calif.	11	9	1
(e) " " "	13	10	1
(f) Signal Oil & Gas Co.	4	11	1
(g) Standard Oil Co. of Calif. Western Operations, Inc.	2	12	1
(h) Texaco Inc.	3	13	1
(i) Union Oil Co. of Calif.	5	14	1
(j) Morrison & Weatherly Chem.	7	15	1
(k) Tidewater Oil Co.	1	16	1
(l) American Explor. & Mining Co.	16	17	1
(m) Authorization to offer 80 acres vacant State school land	8	19	1

continued

I N D E X
(In accordance with Calendar Summary)
continued

<u>ITEM CLASSIFICATION</u>	<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
6 CITY OF LONG BEACH			
(a) Cooperative agreement for Water Injection Operations, Long Beach Unit, Humble and Texaco, Ranger Zone"	18	20	1
(b) Fifth modification 1967 Plan of Development, Long Beach Unit	6	21	1
7 LAND SALES			
(a) Request Dept. Fish & Game for withdrawal 1280 acres State school land, San Bernardino County (Appl. 116)	15	22	2
8 ADMINISTRATION			
(a) Leasing policy for sovereign and State school lands, except minerals	17	24	14
(b) Delegations of authority by Commission to State Lands Division	20	34	15
9 MAJOR LITIGATION	19	45	15
NEXT MEETING			15

I N D E X

(In accordance with item numbers)

<u>ITEM ON CALENDAR</u>	<u>PAGE OF CALENDAR</u>	<u>PAGE OF TRANSCRIPT</u>
1	16	1
2	12	1
3	13	1
4	11	1
5	14	1
6	21	1
7	15	1
8	19	1
9	6	1
10	8	1
11	9	1
12	7	1
13	10	1
14	1	1
15	22	2
16	17	1
17	24	14
18	20	1
19	45	15
20	34	15
21	3	1

1 AUGUST 21, 1967 -- 10:15 A.M.

2
3 MR. FLOURNOY: A quorum being present, this meeting
4 of the State Lands Commission will come to order.

5 Unless there is objection, we will proceed with the
6 calendar. I understand that there are a couple of individu-
7 als who would like to address the Commission with regard to
8 item 7(a) on page Roman numeral IV. Other than that, the
9 Chair is unaware of any person who seeks to address the
10 Commission on any other item.

11 With that understanding, unless there is objection,
12 we will confirm the minutes of the meeting of July 27th and
13 move to Item 3 -- Permits, easements, and rights-of-way to
14 be granted to public and other agencies at no fee, pursuant
15 to statutes. Unless there is objection or discussion, that
16 item will be approved as indicated.

17 Number 4 -- Permits, easements, leases, and rights-of-
18 way issued pursuant to statutes and established rental poli-
19 cies of the Commission -- one item. Unless there is objec-
20 tion or discussion, that item is approved as indicated.

21 Number 5 -- Several items, oil-and-gas and mineral
22 leases and permits issued pursuant to statutes and established
23 policies of the Commission. Unless there is discussion or
24 objection on any one of those, they will all be approved as
25 indicated.

26 We will move to item number 6, City of Long Beach,

1 two items with regard to the operation there. Unless there
2 is discussion or objection, we will approve those items as
3 indicated.

4 MR. KORTIG: Mr. Chairman, with respect to item 6(a)
5 I wish to call the attention of the Commission to the fact
6 that this supersedes a previous action of the Commission,
7 but the form of agreement was not applied after the Commis-
8 sion previously approved it, so it was felt in order to have
9 the record clear that the Commission re-adopt this item as
10 outlined in the resolution in item 6(a).

11 MR. FLOURNOY: Very well. If there is no further dis-
12 cussion, both those items will be approved as indicated.

13 Number 7 -- Land sales, involving a couple of parcels.

14 I understand that Mr. Richard H. Davidson is here from
15 the California Department of Fish and Game and wishes to ad-
16 dress the Commission on this matter.

17 Please come forward, Mr. Davidson. Then we will hear
18 from Mr. John Peavy of the Bureau of Land Management, River-
19 side.

20 MR. DAVIDSON: Mr. Chairman, members of the Commission,
21 I am Richard Davidson, Game Management Supervisor of the
22 Department of Fish and Game, representing the Director. I
23 have a formal presentation here that I will give to your
24 secretary.

25 MR. FLOURNOY: I think at this point in time probably
26 the best and most expeditious manner of procedure would be

1 for the Commission to hear briefly what the Department's
2 point of view is, followed by any questions the Commission
3 may have; then submit your request for withdrawal to the
4 staff, so we can evaluate it for one action or another at
5 the next meeting.

6 MR. DAVIDSON: This is only a page.

7 We appeared before the State Lands Commission on
8 May 28, 1964 and informed the Commission of State lands
9 intermingled with Bureau of Land Management lands in the
10 Providence Mountains area west of Needles in San Bernardino
11 County. We indicated the benefits that would accrue to both
12 the Bureau of Land Management and the State if certain State
13 lands in the Providence Mountain area were to be exchanged
14 for Bureau of Land Management lands outside this area.

15 Subsequently, the Bureau of Land Management, the State
16 Lands Division, and the California Department of Fish and Game
17 met to formulate procedures whereby land exchanges could be
18 made. Almost simultaneously, the Department of Fish and Game
19 requested withdrawal from public sale of State lands in the
20 Providence area to allow time for the land exchanges to take
21 place.

22 The Bureau of Land Management has been making extensive
23 classification studies of their lands and because of this have
24 been unable to devote the necessary time to effect the desired
25 land exchanges.

26 The Bureau of Land Management has informed us that they

1 are anxious to acquire Section 16, T. 12 N., R. 15 E. and
2 Section 16, T. 13 N., R. 15 E. of the San Bernardino basin,
3 region, to best serve the public interest. A representative
4 of the Bureau of Land Management is here today to testify,
5 if you wish.

6 These two sections of land are bordered on more than
7 two sides of each section by Bureau of Land Management lands.
8 Bureau lands adjacent to the two sections are being proposed
9 for retention by the Bureau and classification as multiple
10 use lands -- and I understand this has already been signed
11 by the Secretary of Interior, so these lands already around
12 there have been classified as a multiple use area.

13 The nature of the lands in the area is unique in that
14 it is type very similar to that found east of the Sierra
15 Nevada Mountains area and this is unique in Southern Cali-
16 fornia; and we feel there are many areas throughout Southern
17 California for urban development, but very few in Southern
18 California that hold recreational values that can be acquired
19 and protected for our evergrowing population.

20 I might point out that since 1948 our Department has
21 been evaluating public lands, both State and Federal, and
22 delineating those lands that we feel have those high recrea-
23 tional values, and there are lots of lands outside of those
24 areas.

25 We believe removal of these two sections of land from
26 public ownership will curtail historic public use of the

1 lands, and will bring about conflict between private land
2 owners and the public using adjacent public lands.

3 Since we feel there are exceptional wildlife values of
4 interest to the public, and the Bureau of Land Management
5 desires to acquire the two sections of land to assist them
6 in the administration of their presently owned lands, we urge
7 that the two sections be withdrawn from public sale pending
8 acquisition by the Bureau through an exchange process.

9 MR. FLOURNOY: Mr. Smith has a question.

10 MR. SMITH: Mr. Davidson, how long have these lands
11 been under consideration by the Department of Fish and Game?

12 MR. DAVIDSON: We started reviewing the lands in 1948.

13 MR. SMITH: These particular lands?

14 MR. DAVIDSON: In this particular area, yes, and at
15 one time we thought we had a procedure worked out between the
16 Bureau of Land Management and the State Lands Division for
17 exchange to start taking place. The wheels are moving rather
18 slowly, much slower than we like to see them grind.

19 In 1964, as we pointed out, we thought we had made
20 some headway, but the Bureau had a deadline for classifying
21 all their lands in the State and I think they have only one
22 more year for that; and this would be two years for them to
23 classify all their lands and this would be quite a burden on
24 them.

25 MR. SMITH: Without the details, Mr. Davidson, does the
26 Department of Fish and Game have an explicit plan for these

1 lands they are asking to be withdrawn from private sale?

2 MR. DAVIDSON: From private sale for administration by
3 the Bureau of Land Management, to actually be a part of their
4 administrative area and we have, I am pretty sure, put in at
5 least one self-maintained quail guzzler in one section.

6 We consider this highly important to the rest of the
7 public lands in the area. It won't be our land. All we are
8 trying to do is in the public interest to see that these
9 lands that have high recreational value are protected for the
10 public.

11 MR. FLOURNOY: Do you have any idea what the Bureau
12 intends to do with the land if they acquire it?

13 MR. DAVIDSON: Yes, I have a pretty good idea. They
14 have it already classified for multiple use -- camping pic-
15 nicking, general public use; and these sections they would
16 acquire would fit in with their overall plans.

17 MR. FLOURNOY: And it is your expectation that after
18 the deadline for this classification of lands the procedure
19 for exchange of these lands could be worked out?

20 MR. DAVIDSON: I have this problem now. At one time
21 we made a proposal but they wanted time to classify all their
22 lands.

23 MR. FLOURNOY: I think probably the question in my
24 mind should be addressed to the Bureau of Land Management.

25 MR. DAVIDSON: Probably should.

26 MR. FLOURNOY: Is Mr. Peavy here?

1 MR. PEAVY: Yes.

2 MR. FLOURNOY: Will you come forward?

3 Thank you very much, Mr. Davidson.

4 MR. PEAVY: Mr. Chairman, members of the Commission,
5 Mr. Hortig, I was asked to come to testify this morning con-
6 cerning these two sections, item 7, and Mr. Davidson has done
7 a pretty good job of reviewing our proposed plans for the
8 area.

9 Now, this classification that he mentions is Public
10 Law 88607, under which we are now operating. This law re-
11 quires that in certain tracts of land, certain areas of land,
12 well blocked areas, that we classify these lands for reten-
13 tion and multiple use management.

14 Now, multiple use management takes in quite a gamut
15 of resources. In this particular area it would be range
16 management, game management, recreation, and possibly some
17 mining activity within the general area. These particular
18 two sections are involved in our grazing management plans
19 and our range management plans which are being perfected.

20 Now, to date, within the Riverside district -- which
21 has some eight million acres of public land -- we have classi-
22 fied about one million acres under this 88607. Now, this
23 does not mean that every acre within one particular area is
24 classified for retention. Certain tracts within the area,
25 which are isolated tracts or not needed for any public pur-
26 pose that can be determined, are classified for disposal for

1 title transfer, under the new act, 88608, if they happen to
2 be in a city or town and are needed for industrial purposes.

3 However, these two sections are not this type of land.
4 These two sections are the type that would be used for mul-
5 tiple management under our new act, which is the first time
6 in the history of the Bureau of Land Management, or the Grazing
7 Service or some of its various names in the past, we have been
8 given the authority to retain and manage lands for these
9 multiple resources.

10 Now, Mr. Davidson has stated it will probably be over
11 a year before we have other lands classified which may be
12 selected in lieu of these State lands for exchange. However,
13 during the interim of any exchange which would be accomplished,
14 under Section 8 of the Taylor Grazing Act anybody is free to
15 make an application for Bureau of Land Management land, which
16 we assist them in.

17 Now, to date most of our exchanges have been made for
18 other agencies like the National Park Service, the Forest
19 Service and other Federal agencies. To date we have accom-
20 plished very few exchanges for our own benefit and management,
21 the Bureau of Land Management itself, because we have only had
22 this act since 1964 and up until that time we did not make
23 many exchanges -- only in extreme cases where we had to have
24 the access or had to have the section to manage adjacent to
25 public lands which were forested or had a very valuable pub-
26 lic resource.

1 Now, these two sections that are mentioned under item
2 7 are the primary access to adjacent public lands, of which
3 there is a very large block, and also a portion of our
4 management and grazing management leases in the area, of
5 which we have two very important ones, and that is about all
6 I have to say unless you want to now ask me some questions.

7 MR. SMITH: Just out of curiosity, Mr. Peavy, what
8 percentage of lands in the State of California are under the
9 control of the Bureau of Land Management; do you know?

10 MR. PEAVY: The State of California has some one
11 hundred million acres of land in toto and within the State
12 approximately seventeen million acres are under the admini-
13 stratorship of the Bureau of Land Management. Now, that
14 would be approximately seventeen percent.

15 MR. SMITH: Is that all Federal land?

16 MR. PEAVY: No. That's only Bureau of Land Management
17 lands. Now, of course, there are other lands -- Forest Ser-
18 vice, Bureau of Reclamation, military, and you can go on and
19 on. I cannot remember the total figure of all the agencies
20 together.

21 MR. HORTIG: About fifty.

22 MR. SMITH: In the program for the exchange of land,
23 is it the policy of the Bureau of Land Management in the
24 exchanges to end up with the same amount of land that it now
25 has control of?

26 MR. PEAVY: No. As time goes on, there are a few less

1 acres or sometimes many less acres of Bureau of Land Manage-
2 ment land. Of course, in this case, if an exchange was aug-
3 mented and completed here, it probably wouldn't be too much
4 of a difference in range -- I mean in acres. We have certain
5 areas within San Diego County under this new system, which we
6 call type 4, of widely scattered lands which are hard to
7 manage because of the plottage of the lands. Now, those
8 lands, it has been determined, are title transfers. There
9 are certain isolated transfers in these blocks. Some of
10 these lands are private holdings.

11 MR. FLOURNOY: With regard to the classification of
12 lands that has been referred to, am I correct that the classi-
13 fication program applies to the lands that are under the
14 jurisdiction of the Bureau of Land Management?

15 MR. PEAVY: Right.

16 MR. FLOURNOY: I gather that the relationship is such
17 that because this land borders on some of the land that is
18 under your administration, these lands have been so classified
19 that are under discussion today.

20 MR. PEAVY: Yes.

21 MR. FLOURNOY: And you are one-eighth through that
22 classification program?

23 MR. PEAVY: Well, you can't exactly figure it that way
24 because it takes longer to complete this classification in a
25 widely scattered land area than it does in a whole blocked
26 area, which is the first priority in the system.

1 MR. FLOURNOY: And the Bureau of Land Management is
2 interested in acquiring these lands on an exchange basis?

3 MR. PEAVY: Yes, we are.

4 MR. FLOURNOY: Do you have any idea of the kind of
5 timetable we are talking about for consummation of this?

6 MR. PEAVY: I was in agreement with what Mr. Davidson
7 put forth -- a year or a little over a year is probably what
8 it would be.

9 MR. FLOURNOY: I have a feeling -- and I may be wrong
10 in this -- that the State Lands Commission is somewhat of a
11 creditor of the Bureau of Land Management at the present time
12 and we have substantial land due and owing to us that we have
13 been trying to acquire or negotiate or consummate for some
14 time. It raises in my mind a little skepticism as to the
15 timetable on which we may be operating here.

16 MR. PEAVY: Of course I want you to excuse our fast
17 actions. However, I do know you are speaking now, Mr.
18 Chairman, about State exchanges and State indemnity selec-
19 tions.

20 MR. FLOURNOY: Yes.

21 MR. PEAVY: Now, I do know of some State exchanges
22 which have been in the mill for ten years for this reason --
23 mining claim conflicts. As soon as the exchange is worked
24 up for consummation, the values are equated. Again, we have
25 mining claims to clear off the land because this classifica-
26 tion is not segregated from mining locations, and that is one

1 thing that holds up an exchange, no matter what the timing is
2 is conflicts which slip in under other laws and acts which
3 have to be cleared off before the land can be exchanged.

4 I might add I believe there are one or two exchanges
5 in the Riverside land office ready for consummation, except
6 for the civil rights statement which is needed on those one
7 or two exchanges. I believe they are fairly large acreages.
8 I don't know whether that has come through or not, but it
9 seems to me it is several thousand. It is an old one; I'd
10 like to clear this off.

11 But you are no doubt right in saying it takes a long
12 time and to date we have been fairly successful in consummat-
13 ing exchanges for other agencies, but we have had very little
14 time for our own; and, of course, we have gotten quite a few
15 State exchanges and indemnity selections through. I believe
16 there is some sixteen thousand acres left.

17 MR. HORTIG: Remaining not yet selected, but there are
18 two thousand acres selected that are pending. All told,
19 clarification of land titles through the Bureau is required
20 for about two hundred fifty thousand acres of land.

21 MR. FLOURNOY: I appreciate your coming here today.
22 I think that the Commission, in view of Mr. Smith's and my
23 own questions, will direct the staff to look into the poten-
24 tials and withdrawal of these lands on the basis of their
25 public use, and come back with a further recommendation at a
26 future meeting.

1 I will say this -- that I am a little concerned, as
2 these lands have been withdrawn for two years and you now
3 propose to withdraw them for another two years. If it is a
4 question of keeping them withdrawn indefinitely for some
5 potential use, that ought to be considered. So we will
6 request the staff to look into the problems with regard to
7 withdrawal of these lands and postpone any action on this
8 matter until a meeting where we can have a recommendation
9 from the staff.

10 MR. SMITH: I have just two very brief questions.
11 Now, on the application for the private purchase of these
12 lands, is the price stabilized at 1965, at the time of pur-
13 chase if it were not to be withdrawn?

14 MR. HORTIG: At the appraised price at the time of
15 application.

16 MR. SMITH: At the time of application?

17 MR. HORTIG: At the time of application.

18 MR. PEAVY: Mr. Chairman, could I make one addition?
19 This is a matter of information. I believe on August 13th
20 we examined these particular sections and made a report and
21 they were examined by members of our staff at Riverside and
22 one of our State office game management specialists from our
23 State office; and these two sections were identified at that
24 time as being important, plus one other one that I won't men-
25 tion at this time -- I won't even bring it forth here, and it
26 is probably more important than these two because it is part

1 of one of our rotation grazing plans that we are just com-
2 pleting for lease. Anyway, these were reviewed and examined
3 and passed on very recently from our State office level --
4 these two particular sections.

5 MR. FLOURNOY: Do we have copies of the report of
6 findings?

7 MR. PEAVY: No. The letter just came in on August 16.
8 I have it here.

9 MR. FLOURNOY: I think if the staff could be supplied
10 with that information...

11 MR. PEAVY: I will see that Mr. Hortig and you and
12 Mr. Smith will receive copies.

13 MR. FLOURNOY: Thank you very much.

14 MR. PEAVY: Thank you.

15 MR. FLOURNOY: We will move on, then, to item number 8,
16 which is administration -- two items there that ought to be
17 mentioned: One is a consideration of leasing policy for
18 sovereign and State school lands, except minerals, and we
19 have recommendations for changes in the policy, the leasing
20 policies; and that we authorize proceeding towards hearing
21 to consider the matter, as required by the Government Code,
22 to amend certain rules and regulations, some aspects of which
23 require legislation.

24 Unless there is objection or discussion, we will
25 approve that proceeding to hold hearings and to consider
26 these changes. Do you have some comment?

1 MR. HORTIG: Mr. Chairman, before you consider this
2 I did want to report to Director Smith that this is an imple-
3 mentation of the program in response to a question he raised
4 at the January meeting of the State Lands Commission as to
5 the status and timeliness of the State's leasing program.

6 MR. SMITH: Right.

7 MR. FLOURNOY: Without objection, then, we will approve
8 that matter, to proceed along those lines as indicated.

9 Item (b) is an administrative matter with regard to
10 delegation of the Commission's authority to the State Lands
11 Division in a form which apparently meets the satisfaction
12 of the Attorney General's Office, so that the delegation of
13 authority to the Executive Officer and others is in appro-
14 priate legal form and rescinds all previous delegations.

15 Unless there is objection, we will approve that as
16 indicated. So ordered.

17 Now, with regard to - - there is, of course, a section
18 on litigation. If you have no comment, we will proceed to
19 the date, time and place of the next Commission meeting,
20 which is changed from the one that is on my agenda and perhaps
21 that of the others. The next meeting will be on Monday,
22 September 25th, at ten a.m. -- at which time I wish to
23 announce that the Commission will consider the application
24 of Orange County for the exchange of land in the Upper Newport
25 Bay. This will be a matter on the agenda and we wish to
26 serve notice that we will consider it at that time so that any

1 and all parties who may be interested in that particular
2 application will have had notice that this will come up at
3 that time, so they may be forewarned or forearmed or placated
4 or whatever may be proper.

5 MR. HORTIG: Mr. Chairman, if I may -- a brief report
6 to the Commission: On February 23rd, at your February meet-
7 ing, the Commission authorized the submission of legislation
8 for clarification of provisions of the Public Resources Code
9 and to provide procedures for Commission acceptance of retro-
10 cession of jurisdiction from the United States Government.
11 Pursuant to this authorization, four bills were introduced
12 under Commission sponsorship, and I am happy to report that
13 all of them have been signed into law by Governor Reagan.

14 MR. FLOURNOY: Very good.

15 Is there any further business to come before the
16 Commission at this time? (No response) If not, we stand
17 adjourned.

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19 (Adjourned 10:42 a.m.)
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CERTIFICATE OF REPORTER

I, Louise H. Lillico, reporter for the Office of Administrative Procedure, hereby certify that the foregoing pages one through sixteen contain a full, true and accurate transcript of the shorthand notes taken by me in the meeting of the STATE LANDS COMMISSION OF THE STATE OF CALIFORNIA held at Los Angeles, California on August 21, 1967.

Dated: Los Angeles, California August 22, 1967

/s/ Louise H. Lillico